

## **CLOSING *THE GAP* IN THE 2005-06 BUDGET**

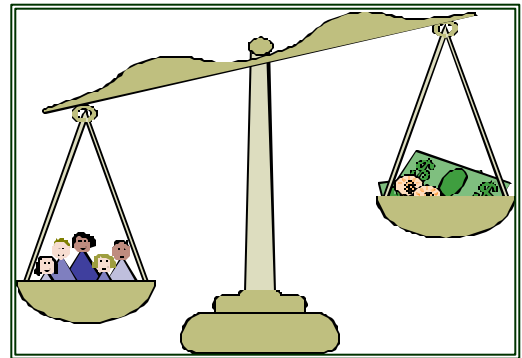
*The Administration projected a \$300 million problem at the start of the 2005-06 budget development process. Recognizing that this fiscal crisis is caused largely by structural problems like explosive growth in employee benefits and erosion of the tax base, the Mayor has addressed the problem by restructuring City government in the 2005-06 Budget.*

### ■ **Economy and efficiencies**

- Renegotiation of employee health care contracts
- Reductions in the General Assigned vehicle fleet to production only
- Reduction in travel to essential trips only
- 754 Layoffs
- Reductions in cell phones to field personnel only
- 10% salary reductions via 26 days off without pay
- Reduce appointee positions
- Eliminate Department of Culture, Arts and Tourism

### ■ **Savings in subsidies for agencies to be spun off to private or nonprofit control:**

- Historical Department
- Zoological Institute
- Cobo Convention Center
- Department of Transportation
- Animal Control operations



### ■ **Departmental Reorganizations**

- Communication operations combined
- Consolidation of all security services under Homeland Security
- DPW, PLD & Environmental Affairs combined as Municipal Services
- Recreation, Senior Citizens and Youth Advocate consolidation
- General Services manages City facilities, grounds, parks, fleet, 311

### ■ **Business Process Redesign:**

- Realign Management-to-Staff Ratio: 12% of manager positions cut exceeds 10.5% of all positions cut City-wide
- Centralization of mail room, document production
- No bulk pick-up in November, December, February and March, based on a best practices study

### ■ **Revenue:** New fast food tax and property transfer tax; increased user fees